KPMG

E-News from KPMG's EU Tax Centre

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KPMG's EU Tax Centre compiles a regular update of EU and international tax developments that can have both a domestic and a cross-border impact, with the aim of helping you keep track of and understand these developments and how they can impact your business.

Latest CJEU, EFTA and ECHR

AG opinion on German dividend withholding tax refund rules

On January 20, 2022, Advocate General (AG) Collins of the Court of Justice of the European Union ("CJEU" or "Court") gave his opinion in the ACC Silicones case (C-572/20). The case concerns the compatibility with EU law of the German rules on reimbursing withholding tax on dividends received from portfolio investments.

As reported in E-news Issue 124, the plaintiff is a UK company that claimed the refund of the withholding tax levied on dividends received from a German portfolio investment, based on the double tax treaty concluded between the UK and Germany. The request was denied by the

German tax authorities on the grounds that ACC Silicones did not comply with the evidential requirement provided by the German law.

In his opinion the AG noted that, for portfolio investments, the German rules on dividend withholding tax refunds are stricter in cases where the recipient is a non-resident company, which are required to prove, by submitting certificate(s) issued by the foreign tax authorities, that neither the taxpayer nor one of its direct or indirect shareholders is able to offset the German withholding tax, or deduct the tax as an operating cost or a business expense. On other hand, German recipients are allowed to offset the tax or receive a refund without further documentary evidence.

In line with settled case-law, the AG confirmed that as soon as Member States impose a levy on dividend income for both resident and non-resident shareholders, the situation of the non-resident companies becomes comparable to that of resident companies. In order to determine if the rules restrict the free movement of capital, one has to analyze if the relevant tax treaty leads to a full neutralization of the different treatment applied to resident and non-resident companies. Whilst it is up to the referring Court to perform this assessment, the AG notes that in his view the analysis should be limited at the level of ACC Silicones, and should not take into account the possible set-off of the German withholding tax against the liability of its direct or indirect shareholders. Moreover, in respect to the requirement that the German withholding tax cannot be deducted as a business expense, settled case-law confirms that a mere deduction does not entirely compensate the effects of a restriction on the free movement of capital.

The AG also rejected Germany's argument that the difference in treatment is justified by the need to preserve the balanced allocation of taxing rights between Member States. The AG noted that a Member State cannot rely on the balanced allocation of taxing right as a justification if it chose not to tax resident companies in respect of income of that kind in order to justify the taxation of recipient companies established in another Member State (in the present case, free-float dividends distributed by German companies benefit from a complete neutralization of the effects of the deduction at source). Furthermore, the AG also rejected the second justification brought forward by Germany – the need to ensure that the withholding tax is not taken into account twice by non-resident companies receiving them or by their direct or indirect shareholders, i.e. once through reimbursement by the German tax authorities and then again through set-off against their tax liability or deduction as an operating cost or as work-related expenses in their State of residence. The AG believes that the measure is not applied in a consistent manner, as resident recipients are not targeted, even though it cannot be ruled out that resident companies might have non-resident direct or indirect shareholders that may take the withholding tax into account at their own level. In the AG's opinion, the objective is therefore not attainted and the justification cannot be accepted.

Finally, the AG noted that, given the findings above, there is no need to address the referring court's question regarding the proportionality and effectiveness of the German rules. Nevertheless, the AG noted that in his view and in line with settled case-law the strict evidential requirement under German law does not comply with the principle of proportionality. Member States should not adopt a formalistic approach, and instead should accept alternative proof brought by taxpayers.

AG opinion on the primacy of EU law

On January 20, 2022, AG Collins published his opinion in the case C-430/21, confirming the primacy of EU law over domestic legislation, including decisions of a constitutional court. The case concerns a request for a preliminary ruling from a Romanian lower court.

In a previous ruling of May 18, 2021, the CJEU found that the national legislation of Romania providing for the creation of a special division of the Romanian Public Prosecutor's Office was contrary to EU law, unless certain specific criteria were met. Nevertheless, on June 8, 2021, the Romanian Constitutional Court took the opposite position and ruled that, based on its domestic settled-case law, the legislation under dispute was constitutional. The referring court sought clarifications on the right of a national court to examine if a domestic provision, previously found constitutional by the relevant Constitutional Court, is compliant with EU law.

The AG took the view that in cases such as the one at hand, the national court is bound by the CJEU interpretation. If necessary, it must disregard the rulings of a higher court or even of a national constitutional court where it considers, having regard to CJEU interpretation, that those provisions are inconsistent with EU law. The AG also noted that the decision of the Romanian Constitutional Court prevents the referring court from assessing if the legislation at hand complies with EU law and the CJEU's previous judgement. National courts called upon to rule on issues linked to the interpretation and application of EU law must be in a position to exercise their functions autonomously, without being subject to any hierarchical constraints or subordinated to any other body.

The AG concluded that the decision of the Romanian Constitutional Court is in breach of the principles of primacy of EU law and of independence of the judiciary. AG Collins also commented that the latter principle precludes a provision or a practice of national law according to which national courts have no jurisdiction to examine the conformity with EU law of a domestic provision found to be constitutional. Moreover, it also precludes the initiation of disciplinary proceedings against the judge conducting such examination.

For more details please refer to the CJEU's press release.

AG opinion on transparency obligations and derogations under AMLD

On January 20, 2021, AG Giovanni Pitruzzella of the CJEU published his opinion in the joined cases C-37/20 and C-601/20. The cases concern the validity of conditions for allowing access to personal data under Directive (EU) 2015/849 Anti-Money Laundering Directive (AMLD 4 or the Directive), and the interpretation of certain terms related to derogations allowing limited access to this data. Specifically, if implemented by Member States, such exceptions can be provided in "exceptional circumstances", on a case-by-case basis, if access to the information "would expose the beneficial owner to disproportionate risk, risk of fraud, kidnapping, blackmail, extortion, harassment, violence or intimidation".

Following proceedings raised by two Luxembourg taxpayers, whose request for limited access was denied by the Luxembourg Business Registers, the Luxembourg District Court logged requests for preliminary rulings with the CJEU. The referring court sought clarifications on the validity of the system of public access to information on beneficial owners and the scope of its derogations, as well as on the interpretation of certain concepts – i.e. "exceptional circumstances", "risk" and "disproportionate risk".

In his opinion, the AG observed that a key question which arises in the present cases concerns the way in which it is possible to reconcile the requirements of transparency with the protection of fundamental rights guaranteed by the Charter of Fundamental Rights of the European Union (the Charter), and specifically the rights to respect for private and family life and the protection of personal data. The AG noted that public access to data concerning beneficial ownership interferes with these fundamental rights. However, in his view, such interference is not "particularly serious" given the scope and the nature of the data, which is not sufficient to allow the general public to draw precise conclusions concerning the private life of the persons concerned. On the other hand, the fact that the Directive allows Member States to extend the amount of data accessible to the general public may lead to further interference.

The AG continued by analyzing if such interference can be justified. In this respect, he noted that it is up to the EU legislator to define in a clear and precise manner the scope and nature of the personal data collected and disclosed to the public. In AG Pitruzzella's view, the AMLD 4 meets this condition for the list of items mentioned by the Directive. However, the provision allowing Member States to extend that list does not precisely define or determine the data, and the AG believes this leads to its invalidity.

Given the Directive's objective of preventing money laundering and terrorist financing, the AG considered that the elimination of a previous criterion – under which the general public needed to demonstrate the existence of a legitimate interest in accessing the data, was necessary. Member States are however required to ensure the protection against any disproportionate infringement. As such, in AG Pitruzzella's view, Member States should not only have the option, but should in fact be required to provide for certain derogations, aimed at ensuring a proportionate and balanced approach and guaranteeing respect for fundamental rights.

The AG concluded his analysis by suggesting how the referring court should interpret several concepts of the Directive, when reviewing the validity of the derogations requested by the plaintiffs.

For more details please refer to the CJEU's press release.

CJEU ruling on the Spanish sanctions applicable for failure to report assets held abroad

On January 27, 2021, the CJEU published its decision in the case Commission vs Spain (C-788/19). The case concerns the sanctions imposed by Spain for failure to dislclose assets held abroad – reportable through Form 720. Following an infringement procedure initiated by the European Commission, which considered the rules as disproportionate and discriminating against taxpayers investing abroad, Spain was referred to the CJEU. In his opinion issued on July 15, 2021, AG Henrik Saugmandsgaard Øe also concluded that the Spanish rules represent a breach of EU law – see E-news Issue 137.

The CJEU confirmed the AG's opinion that the Spanish rules under dispute restrict the free movement of capital as guaranteed by the Treaty on the Functioning of the European Union (TFEU), as they can deter Spanish tax residents from investing in other jurisdictions.

The Court also held that whilst the rules are appropriate to ensure the attainment of the objectives pursued (i.e. the fight against tax fraud and tax evasion), the legislation goes beyond what is necessary to achieve them. Firstly, the CJEU noted that based on the rules under dispute the tax authorities are allowed to assess additional tax liabilities without being subject to any time limit, which undermines the principle of legal certainty. Secondly, the fines sanctioning the failure to disclose the assets or the late submission of the Form 720 - 150 percent of the value of the assets, represent a disproportionate measure. Lastly, the additional flat-rate fines applicable for non-compliance or late compliance with the disclosure requirements are higher and disproportionate as compared to those applied in purely internal situations.

For more details please refer to the CJEU's press release.

EU Institutions

EUROPEAN COMMISSION

European Commission work program for 2022

On January 26, 2022, the European Commission published a revised version of its work program for 2022 (for information on the previous unveiling of the 2022 work program, see E-News Issue 141). The key direct taxation measures anticipated for the first half of 2022 include:

- The launch of the Commission's proposal for a debt equity bias reduction allowance (DEBRA) on May 11, 2022; and
- A proposal for the implementation of Pillar One of the OECD BEPS 2.0 initiative, with an indicative date set for July 27, 2022.

For more information on the Commission's DEBRA proposal, please refer to Euro Tax Flash Issue 448.

Please refer to Euro Tax Flash Issue 458 for more information on the OECD Pillar One proposal.

Proposal to update the EU Anti-Money Laundering List

On January 7, 2022, the European Commission adopted a draft regulation which updated its list of "high-risk third countries" identified as having strategic deficiencies in their anti-money laundering/counter-terrorist financing regimes (the "EU AML List"). The draft regulation proposes to add the following nine jurisdictions to the EU AML List: Burkina Faso, the Cayman Islands, Haiti, Jordan, Mali, Morocco, the Philippines, Senegal and South Sudan.

In addition, the draft regulation proposes to remove the following five jurisdictions from the EU

AML List: The Bahamas, Botswana, Ghana, Iraq and Mauritius.

The draft regulation will be submitted to the Council of the EU and the European Parliament for approval and, if approved, will enter into force 20 days after publication in the Official Journal of the EU.

For more information, please refer to the text of the draft regulation.

COUNCIL OF THE EU

ECOFIN meeting discusses implementation of OECD Pillar Two proposals

On January 18, 2022, EU finance ministers attended a meeting of the Economic and Financial Affairs (ECOFIN) Council for discussions regarding the implementation of the global minimum tax Model Rules proposal released by the OECD on December 20, 2021. The European Commission tabled a proposed Directive to implement the OECD Model Rules on December 22, 2021. For more information on both of these proposals, please refer to Euro Tax Flash Issue 463.

At the January 18 meeting, representatives of the European Commission noted a desire to reach a quick agreement on the proposed EU Directive to implement the OECD Model Rules. In particular, representatives from France, which holds the presidency of the Council for the first quarter of 2022, outlined a target deadline of March 15, 2022 for reaching agreement on the technical aspects of the proposed Directive. While the majority of the Member States were supportive of the European Commission's proposal, there were some Member States that raised concerns regarding the implementation process.

In this regard, seven Member States (Bulgaria, Cyprus, Estonia, Finland, Romania, Slovakia and Sweden) highlighted concerns with the timeframe for implementation, with Sweden in particular citing domestic constitutional law-making requirements as a barrier to transposing the rules into domestic law in advance of the January 1, 2023 deadline, on which the Model Rules are intended to become effective. Three Member States (Estonia, Hungary and Poland) also noted a concern with implementing Pillar Two of the OECD proposals while it was unclear if the Pillar One OECD proposals would be agreed internationally. In particular, Poland noted that the two pillars were, from a Polish viewpoint, intrinsically linked.

Finally, Malta also highlighted that it had raised concerns on the proposed Directive privately to the Commission and had not yet received a satisfactory response.

For more information, please refer to the Council website.

EUROPEAN PARLIAMENT

European Parliament calls for minimum withholding tax rate on dividend, interest and royalty flows from the EU

On January 24, 2022, a motion for a European Parliament resolution on a European withholding tax framework was presented at the European Parliament Economic and Monetary Affairs (ECON) committee. The motion was approved by 52 votes to five on January 25, 2022.

The resolution calls on the Commission and Member States to establish a harmonized withholding tax framework that ensures that all dividend, interest and royalties payments flowing out the EU are taxed at a minimum effective tax rate. In addition, the resolution calls for the Council to swiftly resume and conclude the negotiations on amendments to the Interest and Royalties Directive and encourages the inclusion of such a measure in the proposed Directive on the implementation of the OECD Pillar Two proposals.

The resolution also calls for the adoption of an effective minimum tax rate for dividend payments to shareholders in the EU and requests that the Commission seeks to enhance cooperation and mutual assistance between tax authorities, financial market supervisory authorities and, where appropriate, law enforcement bodies regarding the detection and prosecution of withholding tax reclaim schemes.

For more information, please refer to the European Parliament website.

OECD and other International Institutions

OECD

Decisions on preferential tax regimes by the Forum on Harmful Tax Practices (FHTP)

On January 24, 2022, the OECD Inclusive Framework (IF) on BEPS approved and published the following FHTP's conclusions on nine preferential tax regimes:

- Two regimes that were newly introduced in Lithuania and Hong Kong (SAR), China were qualified as not harmful;
- Mauritius abolished two regimes that had been under review;
- Qatar amended its three preferential regimes to be in line with the BEPS Action 5 standard which were, therefore, qualified as not harmful;
- Costa Rica made a commitment to amend recent legislative changes that were made to its Free trade zone regime;
- A new regime applied in Albania is now under review.

As part of the implementation of the BEPS Action 5 minimum standard, the FHTP has already reviewed a total of 317 regimes.

For more information, please refer to OECD's press release.

Peer review monitoring reports on dispute resolution published

On January 24, 2022, the OECD also published stage 2 peer review monitoring reports on mutual agreement procedures (MAP) in eight jurisdictions, namely Brunei Darussalam, Curaçao, Guernsey, Isle of Man, Jersey, Monaco, San Marino and Serbia. Key conclusions of the reports were reported as follows:

- The Multilateral Instrument, which introduces the BEPS Action 14 minimum standard on the MAP, was signed and ratified by Curaçao, Guernsey, Isle of Man, Jersey, Monaco, San Marino and Serbia. In addition, there are bilateral negotiations either ongoing or concluded.
- Brunei Darussalam, Curaçao, Guernsey, Isle of Man, Jersey, Monaco and San Marino

now have a documented bilateral notification/consultation process that they apply in cases where an objection is considered as being not justified by their competent authority.

- Curaçao, Guernsey, Isle of Man, Jersey and Serbia closed MAP cases within the pursued average time of 24 months, whereas the remaining jurisdictions had no MAP experience.
- Brunei Darussalam, Curaçao, Guernsey, Isle of Man, Monaco and San Marino ensure that MAP agreements can always be implemented notwithstanding domestic time limits.
- All of the above mentioned jurisdictions have issued or updated their MAP guidance.

As part of the BEPS Action 14 project, 82 stage 1 peer review reports and 60 stage 1 and stage 2 peer monitoring reports have now been published in total, with the additional batches of stage 2 reports to be released in the following months.

For more information, please refer to OECD's press release.

Transfer pricing guidelines 2022 published

On January 20, 2022, the OECD released the 2022 edition of the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations. The guidelines generally provide guidance on the application of the "arm's length principle," which represents the international consensus on the valuation of cross-border transactions between associated enterprises for income tax purposes.

The 2022 edition of the Transfer Pricing Guidelines now incorporates the following revisions of the 2017 edition:

- Revised guidance on the transactional profit split method approved by the OECD/G20 IF on BEPS on June 4, 2018;
- Guidance for tax administrations on the application of the approach to hard-to-value intangibles approved by the OECD/G20 IF on BEPS on June 4, 2018;
- Transfer pricing guidance on financial transactions adopted by the OECD/G20 IF on BEPS on January 20, 2020.

For more information, please refer to OECD's press release.

Local Law and Regulations

Algeria

Finance Law for 2022 published

On December 30, 2021, the Ministry of Finance in Algeria published the 2022 Finance Law. Key tax measures include:

- Extension of the territoriality concept to the following profits of non-resident companies:
  - profits generated through a permanent establishment in Algeria;
  - profits generated in connection with assets owned by foreign companies in Algeria;
  - other profits for which the taxation right is allocated to Algeria under a double tax treaty;
- Introduction of a reduced corporate income tax rate of 10 percent (regular rate: 26 percent) for qualifying manufacturing companies;
- Introduction of a new withholding tax on dividend payments to legal entities (5 percent) and to individuals (15 percent) resident in Algeria.

The measures are effective from January 1, 2022.

Austria

Parliament approves 2022 tax reform bill

On January 20, 2022 the Austrian Parliament approved the 2022 tax reform bill. Key tax measures include:

- Reduction in the corporate tax rate to 24 percent (from 25 percent) effective from 2023, with a subsequent reduction to 23 percent effective from 2024;
- Introduction of a carbon tax (EUR 30 per ton) effective from 2022;
- Introduction of a special rate of tax of 27.5 percent for crypto currencies from March 1, 2022.

For more information, please refer to our previous coverage in E-News issue 143.

The tax reform bill is still subject to approval by the Austrian Federal Council (Bundesrat).

Bulgaria

Approval of 2022 tax reform bill

On January 20, 2022, the Bulgarian Parliament approved the 2022 tax reform bill. Key tax measures include:

- Amendments to the current Bulgarian CFC regime to align with the provisions in the EU Anti-Tax Avoidance Directive (ATAD) 1;
- The introduction of reverse hybrid mismatch rules in accordance with the ATAD 2.

The measures of the bill apply from January 1, 2022, if approved in a second and final reading.

Cyprus

Frequently asked questions (FAQs) on intra-group back-to-back financing transactions

On January 24, 2022, the Cypriot tax authorities published a set of FAQs clarifying the tax treatment of Cypriot companies and permanent establishments of foreign companies conducting intra-group back-to-back financing transactions and setting out requirements for the transfer pricing analysis of such transactions.

For more information, please refer to a report prepared by the KPMG member firm in Cyprus.

Germany

Arrangements on the taxation of cross-border workers extended

In December 2021, the German tax authorities extended their temporary consultation agreements with neighboring countries (Austria, Belgium, France, Luxembourg, the Netherlands, and Switzerland) for cross-border commuters in order to prevent salaries and wages from becoming taxable in the residence country due to working from home (for previous coverage please refer to E-news issue 146). In addition, a consultation agreement with Poland is automatically renewed by one month, if not terminated.

Based on those mutual agreements, working days for which salary or wages are received and on which cross-border commuters only work from home because of measures to combat the coronavirus pandemic are considered working days spent in the contracting state in which the employees would normally have carried out their work.

For more information, please refer to a report prepared by the KPMG member firm in Germany.

Ireland

Finance Act 2021 published in the Official Gazette

On January 20, 2022, Ireland published the Finance Act 2021 in the Irish Official Gazette. In the field of direct taxation key measures include:

- Introduction of the interest limitation rule as provided under ATAD 1;
- Introduction of anti-reverse hybrid rules as part the domestic implementation of ATAD 2, as well as several technical changes to the Irish anti-hybrid rules which were introduced in the Finance Act 2019.
- Revision of transfer pricing rules, including the application of the OECD's guidelines for attribution of profits to a permanent establishment for the purpose of computing the profits of an Irish branch of a non-resident company.

The measures generally apply from January 1, 2022.

Finance Act 2021 also includes a provision to transpose an EU Directive (DAC 7) that imposes automatic reporting obligations on certain digital platform providers into Irish domestic law. The reporting obligation under DAC 7 applies from January 1, 2023.

For more information, please refer to our previous coverage in E-News issue 141.

Slovakia

Reporting obligations in respect of reverse hybrid entities

With effect from January 1, 2022, a reporting obligation was introduced that requires non-resident individuals to disclose information to the Slovak tax authorities on the tax treatment of a reverse hybrid entity in the individual's residence country. The new rules apply to certain non-residents that have at least 50 percent direct or indirect shares of registered capital, voting rights or is entitled to receive at least 50 percent of the profits of a reverse hybrid entity.

The deadline for reporting is the end of the calendar month following the month in which an individual became partner of a partnership, unlimited partner of a limited partnership, or a recipient of income.

For more information, please refer to a report prepared by the KPMG member firm in Slovakia.

United Arab Emirates

UAE Ministry of Finance announces plans to introduce corporate income taxation

On January 31, 2022, the UAE Ministry of Finance announced that it intends to introduce corporate income taxation on federal level which will be effective for financial years starting on or after June 1, 2023. Key features of the envisaged corporate income tax regime include:

- A corporate income tax rate of 9 percent will be applied on business profits of all UAE businesses and commercial activities, except for the extraction of natural resources, which will remain subject to corporate taxation at Emirate level;
- A special tax rate of 0 percent will also be applied in respect of small businesses and startups with taxable profits of up to AED 375,000 (approx. EUR 91,000);
- Free zone entities will continue to benefit from an exemption or zero rate status provided strict conditions are adhered too (more details on this are expected to be released once the law is published);
- Foreign entities and individuals will be subject to corporate income tax only if they conduct an ongoing or regular trade or business in the UAE. No withholding tax will be imposed on a foreign investor's income from dividends, capital gains, interest, royalties and other investment returns;
- Dividends and capital gains earned by a UAE business from qualifying shareholdings will be exempt for corporate income tax purposes;
- Qualifying intra-group transactions and reorganizations will not be subject to UAE corporate income tax.

The FAQ published together with the announcement notes that a different tax rate will apply for large multinationals that are in scope of the OECD 'Pillar Two' solution. No further clarification is provided on this exception to the general rule, however, the rate is likely to be 15 percent.

For more information, please refer to a report prepared by KPMG Lower Gulf Limited.

United Kingdom

UK launches public consultation on uncertain tax treatment guidance

On January 18, 2022, HMRC published updated draft guidance on the new reporting in relation to uncertain tax treatments (UTT). The requirement is being introduced for qualifying large companies and partnerships (broadly companies and partnerships with UK turnover greater than GBP 200 million (approx. EUR 240 million) per annum or a UK balance sheet total over GBP 2 billion (approx. EUR 2.4 billion)) to notify HMRC where they have adopted an UTT with respect to value added tax, corporation tax, or certain income tax (partnership and PAYE) returns due to be filed on or after April 1, 2022.

The draft guidance provides further details of how the requirement will operate, including how businesses can qualify for exemption from notification and the practicalities of notifying. HMRC are inviting businesses to provide feedback on the draft guidance until February 1, 2022. The final version of the UTT technical guidance is expected to be published by February 28, 2022.

For more information, please refer to a report prepared by the KPMG member firm in the UK.

Local Courts

Denmark

New ruling on the Danish expat tax regime

On December 22, 2021, the Danish High Court ruled in a case concerning the minimum salary requirement to qualify for the beneficial Danish expat tax regime. The ruling was published by the Danish Tax Agency on January 20, 2022 and states that it is not a requirement that the salary according to the employee's employment contract must meet the minimum salary requirement by the beginning of the income year.

For more details, please refer to a tax alert prepared by KPMG in Denmark.

The Netherlands

The Dutch Supreme Court ruling on the application of the principal purpose test

On January 20, 2021, the Dutch Supreme Court (Hoge Raad) issued a decision in a case concerning the application of Dutch transfer tax in a reorganization involving a real estate portfolio.

The plaintiff is a non-listed real estate fund that acquired a real estate portfolio from a foundation. In the tax authorities' view, the acquisition was structured in a manner aimed at minimizing the Dutch transfer tax otherwise applicable. The Dutch Supreme Court recognized that the ultimate goal of the restructuring was a sound business reason, driven by a change in the strategic real estate policy of the seller – i.e. converting its directly held real estate into an indirectly held real estate portfolio.

Nevertheless, the Court took the view that the manner in which the transaction was structured had as principle purpose the avoidance of taxes. As such, the Court held that the real estate transfer exemption applicable under the Dutch implementation of the EU Merger Directive was not applicable in this case.

KPMG Insights

Tax defensive measures implemented by European states

The EU Tax Centre is closely monitoring the developments of defensive tax and administrative measures adopted by EU / EEA jurisdictions, plus the UK, against countries included on the EU list of non-cooperative jurisdictions for tax purposes as well as on equivalent national lists, where applicable.

For an update on the tax defensive measures implemented by European states and the latest developments related to the EU List of non-cooperative jurisdictions, please refer to this article.

Corporate income tax in the UAE

On January 31, 2022, the tax landscape of the United Arab Emirates (UAE) shifted yet again with, when the Ministry of Finance made the breakthrough announcement that a new federal corporate income tax system will be implemented in the UAE, effective financial years commencing on or after June 1, 2023.

For details and updates on the latest developments, please refer to the dedicated website of KPMG Lower Gulf Limited.

The path ahead for BEPS Pillar 1 and 2 implementation – webcast playback

As part of the Future of Tax & Legal webcast series, KPMG International hosted a session focusing on “The path ahead for BEPS Pillar 1 and 2 implementation” on January 11, 2022. A replay of the webcast is available here.

Restructuring – Tax and Legal Considerations

As part of the Future of Tax & Legal webcast series, KPMG International held a session focusing on the tax and legal aspects of restructuring financially troubled companies on January 25, 2022. The topics covered addressed tax and legal issues relevant to debtor companies, creditors and acquirors of financially distressed assets including debt modification, bankruptcy, stressed asset dispositions and internal reorganization. A replay of the webcast is available here.

Navigating Tax Transparency

With environmental, social and governance (ESG) rising on leadership agendas globally, tax practices and governance are becoming critical ESG measures, with tax transparency often being used as a key metric for demonstrating a responsible attitude towards tax. KPMG Tax Impact Reporting has prepared a range of supports and leading technology solutions to assist tax departments to accurately compile information on a company's tax footprint and manage compliance with tax transparency standards and changes.

For more information, please refer to the dedicated KPMG webpage.

KPMG Insights on the EU Green Deal

The KPMG Virtual Center of Excellence (VCOE) for Excise and Environmental Taxes and KPMG member firm professionals developed a set of materials on the EU Green Deal. For further details please refer to the dedicated KPMG umbrella page, or to KPMG's EU Green Deal Policy Guide which has been developed to summarize the key takeaways from each of the reforms in the European Commission's 'Fit for 55' package of carbon reform measures.

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Key links

- Visit our website for earlier editions

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